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UNITED STATES AIR FORCES IN
EUROPE**

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Civil Engineering

**NATO SECURITY INVESTMENT
PROGRAM (NSIP)**



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This instruction implements Air Force Policy Directive (AFPD) 32-10, *Installations and Facilities*, Department of Defense Directive (DoDD) 2010.5, *The North Atlantic Treaty Organization (NATO) Security Investment Program* and United States European Command Instruction (ECI) 4701.01, *NATO Security Investment Program (NSIP) Management*.

This instruction establishes policy, procedures, controls and responsibilities for the programming, design, construction, and real property accounting of North Atlantic Treaty Organization (NATO) facilities as well as recoupment of United States (U.S.) funds for pre-financed NATO projects. This instruction applies to all United States Air Forces Europe (USAFE) intermediate commands and installations with responsibilities in NATO countries. Additionally, this instruction will be supported by personnel assigned to the European office of the Air Force Center for Engineering and the Environment (AFCEE/CMT). The primary source document of these rules is NATO Bi-Strategic Command Directive 85-1, *Capability Package Directive* (INTERIM). Additional information follows NATO Document AC/4-D(94) 004 Final, *NATO Minor Works Procedures*. Deviations from NATO prescribed procedures and formats cannot be allowed without NATO authorization.

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Chapter 1

NSIP PROGRAM MANAGEMENT AND RESPONSIBILITIES

1.1. General:

1.1.1. The NATO Security Investment Program (NSIP) provides a means by which essential facilities and certain equipment required by USAFE units committed to NATO may be provided from the funds contributed by NATO member nations. In order to realize the financial advantage of NATO infrastructure funding, and as required by DoD policy, all USAFE requirements will be programmed to the maximum extent possible within NATO facility criteria and standards. This will minimize unilateral funding by the United States when NATO funding may be secured.

1.1.2. NSIP funding will pay for infrastructure that is “over and above” what is expected for national defense. USAFE installations are traditionally considered to be over and above our national defense requirements because of their location in foreign territory. This is unlike other member nations of NATO which are expected to offer up existing infrastructure for NATO's use.

1.1.3. NSIP funding is for the minimum military requirement (MMR) necessary to carry out the mission and is generally limited to operational facilities. NATO will not fund items such as anti-terrorism/force protection criteria, Life Safety Code requirements or space standards beyond MMR. The addition of U.S. funds to a NATO project will be required to accommodate these requirements.

1.1.4. Infrastructure paid for with NATO funds will remain available for its NATO mission until it is released from that mission by NATO. NATO may choose to change the assigned mission of the infrastructure as the needs of the Alliance change. Such changes are made through a deliberate process and must be completed with both the host and user nation's approval.

1.1.5. Modification of facilities listed on the NATO inventory for non-NATO use must receive NATO approval prior to changes occurring. **Exception:** Temporary changes to NATO buildings are permissible if the changes can be reversed within 72 hours of notification.

1.1.6. Maintenance of NATO facilities and infrastructure is the responsibility of the user nation. NATO will only fund construction and restoration work. NATO does provide for periodic restoration of its infrastructure when maintenance is no longer effective in keeping the facilities in the best possible condition.

1.1.7. Munitions support squadron (MUNSS) sites have unique requirements. Their infrastructure maintenance is supported by both the U.S. and their Host Nation.

1.1.8. Removal or disposal of facilities and equipment from the NATO inventory must receive NATO approval prior to any action occurring.

1.1.9. Pre-financing projects through the use of U.S. funds is not normally encouraged. However, projects will be reviewed on a case-by-case basis for possible pre-financing when a

critical need exists and NATO is unable to respond in a timely manner. Headquarters United States European Command (EUCOM) is the approval authority for these requests.

1.1.10. NATO delegates responsibility for contracting and implementation of NSIP projects to Host Nations. The U.S. can act as a Host Nation for projects provided the nation(s) in which the work will be done agrees to relinquish their responsibilities. Extraordinary circumstances are required before nations agree and will be coordinated through EUCOM and the United States Mission to NATO (USMN).

1.1.11. Installations and Mission Support Directorate, Programs Division (HQ USAFE/A7P) is the focal point for the programming of all U.S. Air Force NATO projects in Europe. Design and construction management will be carried out by HQ AFCEE/CMT.

1.2. Responsibilities.

1.2.1. HQ USAFE/A7P will:

1.2.1.1. Provide NATO criteria, standards, and guidance for programming of NSIP projects.

1.2.1.2. Ensure compliance with DoD and EUCOM directives concerning NSIP.

1.2.1.3. Coordinate with Host Nation Ministries of Defense representatives, the United States Mission to NATO (USMN), EUCOM, the NATO International Staff (NIS), Supreme Headquarters Allied Powers Europe (SHAPE), Joint Force Commands (JFC) or other appropriate organizations as required to secure support for NSIP at USAFE installations.

1.2.1.4. Participate in Program Management Reviews co-sponsored by the USMN and EUCOM.

1.2.1.5. Review base project submittals for NSIP eligibility, finalize NATO programming submittals, and submit eligible projects to the relevant NATO Commands and Host Nation Ministries of Defense (MOD) representatives for consideration and approval.

1.2.1.6. Advise Base Civil Engineers (BCE) of NATO programming and implementation status of their infrastructure projects.

1.2.1.7. Review and submit Pre-Financing Statements (PFS) and Precautionary Pre-Financing Statements to EUCOM ECJ4-EN.

1.2.1.8. Manage requests for deletion from the NATO inventory and coordinate any meetings necessary for facility deletion.

1.2.1.9. Manage requests for change of use of NATO facilities and coordinate any meetings necessary for the change of use of facilities.

1.2.2. Base Civil Engineers (BCE) will:

1.2.2.1. Review all new military support requirements to determine possible eligibility for the NATO Security Investment Program. Discuss any determinations with HQ USAFE/A7P.

1.2.2.2. Refer all questions concerning NATO eligibility to HQ USAFE/A7P.

1.2.2.3. Prepare and submit to HQ USAFE/A7P, via SharePoint (<https://ice.usafe.af.mil/sites/A7/A7P/A7PD/A7PDN/default.aspx>), programming documentation such as Project Data Sheets (PDS), Minor Works Cost Estimates (MWCE), and Prefinancing Statements (PFS) for all NATO eligible or potentially eligible projects.

1.2.2.4. Provide programming inputs as requested by HQ USAFE/A7P to complete Capability Package (CP) Analysis Worksheets.

1.2.2.5. Survey base facility conditions to plan restoration requirements for proper CP, Minor Work (MW), or urgent requirement project submittals.

1.2.2.6. Manage the NATO inventory. Seek to keep United States Air Force (USAF) Real Property records consistent with the NATO inventory. Request deletion and change of use of facilities from/on NATO inventory when appropriate.

1.2.2.7. Maintain project data for NATO projects in the Automated Civil Engineer System - Project Management (ACES-PM) module. Properly code project numbers, fund sources and enter NATO project numbers in the USAFE Unique data field for this purpose. Ensure AFCEE/CMT has editing rights to any NATO project as required.

1.2.2.8. Site NATO projects in coordination with Installations and Mission Support Directorate Programs Division, Plans and Requirements Branch (HQ USAFE/A7PP) and Host Nation procedures.

1.2.2.9. Coordinate any projects that require conjunctive funding with HQ USAFE/A7P prior to submitting fiscal year (FY) project lists.

1.2.2.10. Fully support visits by NATO staff personnel with appropriate mission briefings, airfield tours, facility visits, and requirement justification to help promote NSIP.

1.2.2.11. Support Maintenance Inspections conducted by the NATO regional command authority.

1.2.2.12. For United Kingdom installations only, the BCE staff may coordinate NATO eligibility and project development with the Defense Estates NATO Secretariat prior to submission of data to HQ USAFE/A7P.

1.2.3. HQ AFCEE/CMT will:

1.2.3.1. Coordinate with HQ USAFE/A7P as required to facilitate design and construction activities, especially when matters of scope arise.

1.2.3.2. Work with using organizations, Host Nation MOD representatives, NATO International Staff, and others as necessary to complete design and construction activities for NATO projects. This will start with development of the Type "B" Cost Estimate (TBCE).

1.2.3.3. For MILCON projects, AFCEE must use Design and Construction Agents; either USACE or NAVFAC depending upon the country. In the UK, AFCEE is the Design and Construction Agent.

- 1.2.3.4. Serve as the U.S. liaison for the technical review of designs prepared by Host Nations to ensure U.S. legal and technical requirements are incorporated into designs.
- 1.2.3.5. Coordinate with HQ USAFE/A7P on project status to ensure U.S. funds will be available when the NATO project is ready to be built.
- 1.2.3.6. Keep project execution data fields in ACES-PM up to date.
- 1.2.3.7. Participate in prefinal and final turnover construction inspections with representatives of the Host Nation and support Joint Formal Acceptance Inspections (JFAI).
- 1.2.3.8. Maintain control of design and construction data until a Certificate of Final Financial Acceptance (COFFA) has been issued.
- 1.2.3.9. Verify a Prefinancing Statement has been filed for MILCON projects when the DD Form 1391 states the project will be prefinanced.
- 1.2.3.10. When appropriate, develop the Type "C" Cost Estimate (TCCE) for prefinanced projects.
- 1.2.3.11. Provide design and construction data to HQ USAFE/A7P on project status/issues for presentation at program management reviews.
- 1.2.3.12. Prepare DD Form 1354, *Transfer and Acceptance of Military Real Property* for acceptance of facilities.

Chapter 2

PROGRAMMING NATO FUNDED PROJECTS

2.1. Programming NATO Common Infrastructure Work. Projects eligible for NATO funding are built to minimum military requirements (MMR) and will be either a Major Works, MW or Urgent Requirements project. Additionally, Stand-Alone projects may be authorized by the Infrastructure Committee (IC) but for HQ USAFE/A7P purposes these projects are managed like Major Works or Minor Works (MW) projects depending on the cost. Specific facilities and/or infrastructure eligible for NATO funding are presented in applicable NATO Criteria and Standards. Scope in excess of MMR must be funded by the host or user nation. Infrastructure and/or facilities to be restored or constructed with NSIP must support a current NATO mission. The source document for NSIP programming procedures is Bi-SC 85-1, *Capability Package Directive (INTERIM)*. U.S. responsibilities for implementation of NATO procedures are explained in ECI 4701.01, *Security Investment Program (NSIP) Management*. Flow charts in ECI 4701.01 help visualize the NATO process.

2.1.1. Major Works: Infrastructure and/or facility requirements costing more than 500,000 Euros are programmed as a major works project. This amount includes the cost of the work, contingencies, design, and national administrative expenses. The programming document for a major works project is a PDS. PDSs are included in Capability Packages (CP) to define infrastructure requirements needed to support a NATO military capability.

2.1.1.1. See EUCOM Command Instruction ECI 4701.01, Appendix A to Enclosure D for a process flowchart showing NATO's procedures to develop a CP. PDSs are developed as part of this process; the project implementation process is illustrated in the flowchart in Appendix B to Enclosure E.

2.1.1.2. The BCE NATO programmer develops and submits PDSs which will include location and site plans to Installations and Mission Support Directorate Programs Division, Programs Development Branch, NATO Section (HQ USAFE/A7PDN). See Bi-SC 85-1, Annex G for format. Use the NSIP SharePoint site for submission.

2.1.1.3. HQ USAFE/A7PDN reviews submittals for NATO eligibility, makes any required changes, and submits them to the Host Nation.

2.1.1.4. HQ USAFE/A7PDN and the Host Nation work with the NATO military commands to place the PDS into a CP. This action should occur when a CP or CP Addendum is being developed and an Analysis Worksheet (AWS) for the installation is prepared. This is the best time to secure support for any desired work on the installation.

2.1.1.5. International Competitive Bidding (ICB) procedures apply unless waived by the IC.

2.1.2. Minor Works. Minor Works projects for infrastructure supporting a current NATO mission may be submitted at any time and are processed independent of the CP program. Projects are typically authorized within 6 months of submission to NATO. Host Nation procedures add time to the submission process before NATO sees the project. The HQ USAFE/A7P floor for MW projects is 50,000 Euros. The ceiling is 500,000 Euros.

2.1.2.1. The process is described in EUCOM Command Instruction ECI 4701.01 Appendix B of Enclosure F.

2.1.2.2. The BCE NATO programmer submits a MWCE, Part I, with site and location plans to HQ USAFE/A7PDN and enters project information into ACES-PM. See Bi-SC 85-1 (INTERIM) paragraph 5.2.7 for the MWCE format. See the NSIP SharePoint site for submission.

2.1.2.3. HQ USAFE/A7PDN reviews and edits submittals, signs the MWCEs and submits them to appropriate Host Nation (HN).

2.1.2.4. The Design Construction Manager (DCM) shall assist the HN with design and construction management as required.

2.1.3. Urgent Requirements. NATO common infrastructure funds can be provided almost immediately to repair damage to NATO facilities caused by acts unforeseen at the time of normal programming. To be unforeseen the requirement must have arisen because of acts of man (e.g. terrorist actions, accidents), "Force Majeure" (e.g. earthquakes, storms, floods, or other natural disasters), or un-observable deterioration, over time, which has resulted in sudden failure (e.g. ruptured pipeline or deteriorated buried electrical cabling). These type incidents can be corrected with an Urgent Requirement project.

2.1.3.1. The U.S. Mission will not support this programming procedure unless the requirement could not have been foreseen.

2.1.3.2. See EUCOM Command Instruction 4701.01 Appendix A to Enclosure F for a process diagram.

2.1.3.3. The BCE must first take immediate action to make temporary repairs and limit any damage using national funds. If these repairs are subsequently determined to be NATO eligible, the BCE must submit information for reimbursement as outlined in Bi-SC 85-1 (ITERIM), Paragraph 5.7.1 to HQ USAFE/A7PDN. The repairs will normally be funded "a posteriori" by NATO.

2.1.3.4. HQ USAFE/A7PDN will coordinate with EUCOM and the USMN prior to forwarding the information to the Host Nation.

2.1.3.5. Urgent requirements will be implemented in the same way as other infrastructure projects once projects are authorized. The Host Nation will prepare the final design in coordination with the user and in conformance with the authorized scope. Excess scope must be funded by the requester (host or user nation). Contract award and construction will be accomplished through the Host Nation. ICB procedures apply unless waived by the IC.

2.1.4. Cost Shares. NATO will pay for the MMR for any construction or restoration for its infrastructure. Two circumstances exist where the U.S. will be required to pay a cost share. Cost shares could be within O&M or MILCON funding limitations. Statutory limitations for U.S. funds will be followed.

2.1.4.1. Restoration Cost Share: The restoration cost share is a user-funded share applied by NATO to restoration projects that are executed before completion of the expected service life defined in the Technical Preamble to Bi-MNCD 85-5. Cost shares would be prorated based on the actual service life versus the expected service life.

2.1.4.2. User Cost Share: User cost shares are also applied by NATO when one of the following occurs:

2.1.4.2.1. The project scope exceeds MMR (see NATO Criteria and Standards for Airfields, BI-MNCD 85-5, Paragraph 1-6). This typically occurs when U.S. standards are applied such as the Life Safety Code or when AFH 32-1084, *Facility Requirements* is used in the design.

2.1.4.2.2. A utility system serves both NATO and non-NATO facilities.

2.1.4.3. The BCE NATO programmers will program a project for any U.S. cost share in the appropriate program.

2.1.5. **ACES-PM Data Management**: The BCE will supplement existing ACES-PM guidance for project management when a project is associated with the NSIP program.

2.1.5.1. For all projects with NATO funding, the project number root will be appended with an “N” suffix, for example Project Number ABCD087004 becomes ABCD087004N. The PROGRAM TYPE will be set to “O&M,” “MCP” or “OTH” as appropriate. The “OTH” choice will be used when no U.S. funding is to be provided to the project. In this case, the FUNDING SOURCE and SUB SOURCE on the PROGRAMMING Tab will both be set to “NATO.” Otherwise, the FUNDING SOURCE and SUB SOURCE on the Programming Tab will both be set depending on the PROGRAM TYPE of the U.S. funding.

2.1.5.2. From the PROGRAMMING tab for each project with NATO funding:

2.1.5.2.1. Establish a UNIQUES value “USAFE_NATO_NUM” with the assigned NATO project number when this number is issued by the Host Nation.

2.1.5.2.2. Establish an OTHER COSTS value with the ITEM NAME set to “NATO_SHARE,” the FY can be NULL, the AMOUNT to the NATO cost in U.S. dollars and in the REMARKS column add the exchange rate to the currency, for example “\$0.75/EUR” or “\$1.57/GBP.”

2.1.5.3. When a project was created without the “N” suffix and subsequently the project is identified to be prefinanced, continue to use the existing project number. From the PROGRAMMING Tab, establish a project unique value “USAFE_NATO_PFS” with a Value equal to “Y.”

2.1.5.4. Existing projects that were programmed with two separate project numbers will be grandfathered if the project has started design. All projects still in a programming status will follow these ACES-PM guidelines.

2.1.5.5. If the Host Nation provides funds for the project, typically only for MUNSS sites, optionally create an ACES-PM project for these funds. The project number root will be appended with a suffix for the Host Nation, for example Project Number ABCD087004 becomes ABCD087004NL in the Netherlands. The PROGRAM TYPE will be set to “OTH.” The FUNDING SOURCE on the Programming Tab will be set to “HNF” and the SUB SOURCE on the Programming Tab will be null.

Chapter 3

DESIGN, CONSTRUCTION AND ACCEPTANCE OF NATO PROJECTS

3.1. Design and Construction.

3.1.1. See EUCOM Command Instruction ECI 4701.01 Appendix B to Enclosure E for a process diagram on NATO project implementation.

3.1.2. Host Nations are responsible for the design and construction of NSIP projects and for all accounting and auditing procedures that follow construction. NATO provides design and construction funds to the Host Nation as identified on the PDS or MWCE. The U.S. must provide design funds to the Host Nation to cover design cost for conjunctively funded aspects of projects.

3.1.3. AFCEE/CMT has primary responsibility for oversight of the design and construction activities to ensure USAF needs are met.

3.1.4. Projects must be designed and constructed in accordance with applicable Standardization Agreements (STANAG) when a facility is programmed to support NATO forces, whether the work is to be funded by NATO or nationally. Contact HQ USAFE/A7PDN to get a copy of the latest STANAGs.

3.1.5. AFCEE/CMT issues design instructions (DI) to the Host Nation when (1) advance planning funds are authorized or (2) when a minor works project is authorized (funded) by the Infrastructure Committee. Special procedures in Germany require the submission of an ABG-3 for 1.5% of the estimated cost when the DI is issued to the German design agency for any minor works project. This covers the cost of any lost design should NATO not support the project. Bases fund this cost.

3.1.6. DIs should include project data and justification, site plan, design criteria, definitive drawings and specific instructions on design reviews, with a request for preparation and submittal of the draft Type B Cost Estimate ((TBCE), 35% design documents). The Host Nation may draw advanced planning funds up to 3% of the project cost to initiate project design and carry it through the TBCE stage.

3.1.7. BCE representatives and AFCEE/CMT jointly review draft TBCEs. AFCEE/CMT consolidates and forwards review comments to the Host Nation for incorporation into the TBCE.

3.1.8. Host Nations finalize the TBCEs or MWCEs and forwards them to NATO for review by the NATO International Staff and authorization by the IC. Upon authorization, Host Nations complete the design and award a construction contract. If the construction cost is over €5M, a second authorization will be required before the HN can receive the additional funds.

3.1.9. The authorization will include any break out of U.S. cost shares (see paragraph [2.1.4](#)). Update any project data in ACES-PM with current cost information. U.S. cost shares are paid with U.S. conjunctive funding. HQ USAFE/A7P normally sets aside sufficient O&M funds for all projected conjunctive funding each fiscal year before distributing O&M funds to bases. Insure HQ USAFE/A7P has included the project in the proper FY based on expected

execution year. If the U.S. cost share is MILCON in scope, ensure the project remains in the Future Years' Defense Program (FYDP) until funded.

3.1.10. Bases must program conjunctive requirements so funds are available when the NATO project is ready for construction advertising. NATO will not provide NSIP funds for a project until required conjunctive funds are available.

3.1.11. While overall design of a NATO project is managed by the Host Nation Ministry of Defense with oversight by AFCEE/CMT, the BCE is responsible for all local design and construction coordination normally associated with any national project. This includes such items as design reviews, pre-construction conferences; road, taxiway and runway closures; interruption of services (electricity, water, heat, etc) associated with construction; obtaining or arranging for restricted area escorts; and all other coordination functions typically associated with design and construction work.

3.1.12. Advertising and Award. After completing the final design, the Host Nation will proceed with advertising, award, and construction. International Competitive Bidding (ICB) procedures must be used (except for Minor Works projects which are wholly civil works in nature; Annex to AC/4-D(94) 004 Final) unless the Infrastructure Committee allows National Competitive Bidding (NCB). After contract award, the Host Nation normally schedules a pre-construction conference with representatives of the contractor, AFCEE/CMT, and base personnel to arrange details for the initiation of construction.

3.1.13. Inspection and Observation. Inspection of construction for quality control and compliance with contract documents is the responsibility of the Host Nation. Observation of construction for functional adequacy of projects of U.S. interest is the responsibility of the BCE, AFCEE/CMT, and in some countries, the U.S. Army Corps of Engineers/Europe District, or Naval Facilities Engineering Command/Engineering Field Activity, Mediterranean. BCEs will report obvious deviations from plans, specifications, established construction procedures within 2 days of occurrence to AFCEE/CMT.

3.2. Acceptance of NATO Facilities. When construction is complete, the Host Nation accepts the facility from the contractor. The BCE or designated representative, HQ USAFE/A7P and AFCEE/CMT will attend final contract acceptance. HQ USAFE/A7P will sign the Host Nation document accepting the facility for U.S. beneficial occupancy. See EUCOM Command Instruction ECI 4701.01 Appendix C to Enclosure F.

3.2.1. **Joint Formal Acceptance Inspection (JFAI):** After construction completion and facility acceptance, the Host Nation will request a formal NATO acceptance via a JFAI. The Host Nation is required to request a JFAI within 6 months after project completion. In practice, however, JFAIs rarely happen this quickly, typically occurring within 2 to 8 years after project completion.

3.2.1.1. A JFAI team consisting of representatives from the Host Nation, HQ USAFE/A7P, AFCEE/CMT, NATO military commands, and the NATO International Staff (NIS) screener will inspect the project. The primary purposes of a JFAI are to determine whether the project was constructed in accordance with good engineering practice, is militarily and technically acceptable, meets established NATO criteria and standards, is within the scope of the original authorization, and that the responsibility of the Host Nation to complete the project has been fully discharged.

3.2.1.2. The team will issue a report identifying any deficiencies discovered and recommend acceptance or non-acceptance of the work. Any work not accepted will have to be corrected prior to acceptance of the project. Deficiencies identified in the JFAI are eligible for NATO common funding. The NIS screener can immediately authorize a limited amount of NATO funds to resolve deficiencies.

3.2.1.3. The JFAI report also notes any excess works discovered (i.e. exceeding authorized scope). If there is excess work, the team will recommend if the additional work should be authorized. Any excess work not accepted by NATO as a legitimate cost will be paid for by the Host or User Nation.

3.2.1.4. The NIS screener will submit the formal JFAI report to the Infrastructure Committee for final approval.

3.2.1.5. Projects remain subject to review in the event deficiencies or defects not noticed at the time of the JFAI are discovered for a period of 2 years after completion of the JFAI. Any deficiencies/defects discovered after this period require NSIP programming action for correction.

3.2.1.6. HQ USAFE/A7P will officially sign for the acceptance of the facility on the JFAI.

3.2.1.7. Since the Host Nation is responsible for project execution, all plans, specifications, and other documents associated with the project are maintained by the Host Nation in preparation for the JFAI. If the U.S. executes the project, the U.S. is responsible for maintaining these documents as explained in Bi-SC 85-1, paragraph 5.4.

3.2.2. **Financial Audit:** Following the formal acceptance by NATO, the Host Nation will schedule a financial audit by the International Board of Auditors. Because of very limited manpower, these final audits are very often not accomplished until the work has been completed for 10 years or more. When the audit has been completed and all discrepancies and/or adjustments satisfied, the board issues a Certificate of Final Financial Acceptance (COFFA) that formally relieves the Host Nation of any further accountability for funds authorized and expended. This action represents the last step in the NSIP process for a project.

3.2.3. **Financial Closeout:** Final closeout is the responsibility of the Host Nation but requires tracking by the user nation to ensure this important end action is completed in a timely manner. In most cases, U.S. involvement ceases after the Infrastructure Committee accepts the Financial Acceptance (FA) document.

Chapter 4

MAINTENANCE OF NATO INFRASTRUCTURE

4.1. Maintenance: Maintenance of NATO facilities and infrastructure is the financial responsibility of the user nation. There are two distinct types of maintenance. First is when a user nation occupies and uses a facility. In this case, the user bears total financial responsibility. This is best illustrated by NATO facilities on our Main Operating Bases (MOB) that we use on a continuous basis. Second, there is the case of a NATO facility not occupied by the user. This could be the situation at one of our Forward Operating Sites (FOS) or Cooperative Security Locations (CSL). If these facilities remain vacant during peacetime, the U.S. is financially responsible for their maintenance and upkeep. If they are occupied during peacetime, then the nation using the facility shares in the financial responsibility for maintenance, normally dependent upon the amount of usage. If any original user has no further requirement for a facility, financial responsibility normally continues for one year following receipt by the Major NATO Commander (MNC) of formal notification that the nation intends to cease use of the facility; Bi-SC (INTERIM), paragraph 6.6.3, a new user is found, the facility is put on standby status, or is removed from the NATO inventory.

4.1.1. Good maintenance and well-kept records will substantiate the requirement for NSIP restoration required when facilities eventually deteriorate beyond the point where maintenance is practical. Conversely, if it appears that facilities have not been adequately maintained, NATO may determine that restorations are not eligible for NSIP funds.

4.1.2. At munitions support squadron (MUNSS) sites, the HN is responsible for maintenance of the NATO facilities assigned to the MUNSS. The U.S. is responsible for U.S.-only requirements of the facilities when these facilities are in the Air Force Real Property list.

4.2. NATO Maintenance Inspections.

4.2.1. NATO Maintenance Inspections are scheduled periodically by Joint Force Command Brunssum or Joint Force Command Naples to determine adequacy of facility maintenance; estimate facility life expectancy; assess current capability to perform assigned missions; verify that spare parts are operational; examine status of corrected JFAI deficiencies; assist in overcoming any difficulties which have been detected in facility maintenance; and review proposed NATO projects. The maintenance inspection team is comprised of representatives from the Host Nation, the user nation, and one of the regional commands. HQ USAFE/A7PDN will represent the U.S. as the user nation and will fully coordinate all maintenance inspection visits with the respective BCE.

4.2.2. Base personnel need to arrange the following when hosting a NATO maintenance inspection:

4.2.2.1. Set up a courtesy call (in-brief and out-brief) with the wing or base commander.

4.2.2.2. Briefing by BCE personnel on base engineering activities including new construction in progress; maintenance systems employed; recent past, present and planned maintenance programs; list of NATO projects which may attract NATO funds for restoration in the future; and all known existing deficiencies with NATO facilities.

This briefing should include a brief synopsis of the mission of the base and the type of aircraft which the base engineering function is asked to support.

4.2.2.3. Tour of base NATO facilities. Time will normally not permit every facility to be inspected, but the following should be accomplished:

4.2.2.3.1. Examples of every NATO criteria item should be inspected.

4.2.2.3.2. The worst examples must be inspected.

4.2.2.3.3. Attention must be drawn to facilities that require NSIP restoration funds now or within the next few years.

4.2.2.3.4. Arrange in advance entry authority to secure areas and aircraft movement surfaces.

4.2.2.3.5. Building managers for each facility visited must be available, aware of the visit, and prepared to point out such problems as roof and window leaks, faulty doors, cracks in walls, etc.

4.2.2.3.6. Keys must be readily available to gain entry to locked facilities.

4.2.2.3.7. Time and space must be made available to consolidate findings and prepare any required paperwork. A quiet area with chairs and table is required.

4.2.2.4. Base personnel need to provide the following documents to support the inspection:

4.2.2.4.1. A large-scale plan of the base showing every NATO facility listed by criteria item. This is a key document and the inspection team will require one for its own use and retention.

4.2.2.4.2. Log books for standby generators, arrestor gear, cranes, and any other similar NATO equipment.

4.2.2.4.3. List of NATO 90-day spare parts (the team will want to see these parts).

4.2.3. A base communications officer must be available to discuss communications matters when those systems and facilities are inspected.

Chapter 5

NATO SPARE PARTS PROGRAM

5.1. NATO authorizes NSIP funding for certain essential facilities and equipment that have been determined by NATO military authorities to be so critical that they must be kept operating under wartime conditions. To accomplish this, NATO finances the initial supply of spare parts sufficient to maintain the facility in time of war for a 90-day period. Spare parts are normally provided for the following airfield criteria items:

- 5.1.1. Aircraft arresting gear.
- 5.1.2. Electrical and mechanical equipment associated with airfield lighting.
- 5.1.3. Standby electrical power generators.
- 5.1.4. On-base fuel storage and dispensing facilities.

5.2. The user nation must maintain this stock of spares. The use of this 90-day supply of spare parts during peacetime is encouraged to assure, through stock rotation, newer items are always on the shelf. The requirement for 90-day spares will be identified and agreed upon by HQ USAFE/A7P and the responsible BCE during the project planning/programming stage and included in the PDS or MWCE document, as appropriate. The spare parts decision will be included in review comments to the Host Nation for inclusion in the project.

5.3. NATO 90-day spare parts for U.S. main operating bases (MOB) will be maintained in the BCE or base supply storage area.

- 5.3.1. They will be clearly identified as being NATO spare parts and will not be issued without the specific approval of the BCE.
- 5.3.2. When NATO spare parts are issued at U.S. MOBs, replacements will be immediately ordered so the proper level is maintained. Normal supply acquisition procedures will be used to requisition replacement items at U.S. expense.
- 5.3.3. If a determination is made that spare parts are no longer needed (e.g., a system is upgraded or changed), the BCE will contact the HQ USAFE/A7P for disposition instructions. NATO must be given the opportunity to reclaim spare parts and receive any financial compensation from their disposition.
- 5.3.4. The status of NATO 90-day spare parts at U.S. MOBs will be reviewed during NATO maintenance inspections and must be readily available for viewing by the inspecting officer. The BCE is responsible for ensuring these spare parts are available and will provide the inspector with a consolidated list of all NATO-funded spare parts prior to the start of the inspection.

Chapter 6

REAL PROPERTY ACCOUNTING AND REPORTING OF NATO FACILITIES

6.1. At the completion of construction , the Host Nation construction agency provides the completed NATO facilities to the BCE for beneficial occupancy. Real property accountability will be established based upon Host Nation documentation and input as NATO real property assets in the Air Force real property accountable records (ACES-RP).

6.2. HQ USAFE/A7P will forward documentation noting final acceptance by the IC, together with the JFAI report, to the BCE. Upon receipt, the BCE will use these NATO documents as additional permanent supporting documents to be filed in the facility folder.

6.2.1. Quantitative accounting of NATO common infrastructure facilities is identical to the accounting requirements for U.S. funded property.

6.2.2. Monetary accounting of NATO common infrastructure facilities is required. Data will be captured under the "estimated value" data field in ACES-RP. The Host Nation is responsible for monetary accounting of NATO common infrastructure facilities. The BCE will obtain pertinent cost data from the local Host Nation construction agency for background information. If cost data cannot be obtained locally, the BCE may request assistance from HQ USAFE/A7P to obtain cost data from the Host Nation.

6.2.3. All real property accountable records for NATO common infrastructure facilities will be over stamped "NATO INFRASTRUCTURE" to make them distinguishable.

6.3. All facilities for which the BCE has established real property accountable records will be included and reported in the real property inventory according to AFI 32-9005, Real Property Accountability and Reporting. NATO common fund expenditures will not be reported in the inventory as a cost to the U.S. Government; record these costs in the "estimated value" data field.

6.4. NATO common infrastructure facilities, including real property installed equipment (RPIE), will not be removed from the inventory without the specific written approval from the HQ USAFE/A7PDN. Appropriate disposition instructions will be issued on a case-by-case (see **Chapter 4**, Release from NATO Inventory).

6.5. All NATO common infrastructure buildings will be identified as such by painting the letter "N" immediately in front of the building identification number (using the same color and configuration as the building number), e.g., facility 115 becomes N-115 when funded by NATO.

6.6. Offering Existing Facilities to NATO.

6.6.1. When an existing facility satisfies a NATO wartime requirement, it may be appropriate to offer the facility to NATO rather than request new construction. After acceptance into the NATO inventory, the facility will be eligible for NSIP restoration funds when required.

6.6.2. To offer a facility to NATO, bases submit a request to HQ USAFE/A7PDN stating the Facilities Board wants to offer a facility to NATO. HQ USAFE/A7PDN will forward this request to the Host Nation, who will forward it to NATO. NATO will determine whether they need the facility and will conduct a JFAI if they do.

6.6.3. Offering facilities to NATO and their inclusion in a JFAI does not constitute a transfer of real property jurisdiction and control by the Air Force to the Host Nation or NATO. It is intended to establish an official record of those existing facilities at an installation which, over and above existing or programmed NATO common infrastructure facilities, meet current NATO approved criteria and standards and may be restored with NATO common infrastructure funds. Real property jurisdiction, control, and accountability for those facilities will be retained by the U.S. as user nation.

6.6.4. Procedures for accomplishing JFAIs for existing facilities vary from country-to-country. All JFAIs are scheduled by the NATO International Staff through the Host Nation and are coordinated with HQ USAFE/A7P. They furnish the BCE specific guidance and instructions concerning the preparation, accomplishment, documentation and recording of each JFAI. HQ USAFE/A7P will attend JFAI proceedings and sign the record as the user nation.

Chapter 7

PRE-FINANCING AND RECOUPMENT

7.1. General. Pre-financing is the expenditure of national funds for eligible or potentially eligible NSIP work with the expectation of recouping (recovering) those funds at a later date. Pre-financing is normally accomplished when NATO is unable to provide funds within the time period that a nation requires work to be done, usually due to fund limitations or project priorities. The U.S. should only pre-finance projects when an organization cannot wait until the work is approved and authorized (funded) by NATO. See Attachment 2 for a sample PFS statement. PFS Statements are submitted via the NSIP SharePoint site.

7.2. Procedures.

7.2.1. See guidance in EUCOM Command Instruction 4701.01, Paragraph 5 c and Enclosure E.

7.2.2. Prior to awarding an NSIP-eligible project, and after coordinating with the Host Nation , HQ USAFE/A7PDN submits PFSs to EUCOM/ECJ4-EN . EUCOM/ECJ4-EN will submit the PFS to the USMN.

7.2.3. Submit the PFSs at least 90 days prior to the contract award date to allow sufficient time for HQ USAFE/A7PDN, EUCOM/ECJ4-EN, the USMN, and the NATO IC to take appropriate action. If the construction contract has already been awarded, a PFS can still be submitted but may not be supported by the IC.

7.2.4. Ensure any pre-financed projects are bid using International Competitive Bidding (ICB) rules unless the IC waives this requirement. If the U.S. wishes to avoid using ICB, state this on the PFS and provide strong justification.

7.2.5. Consider the following three options for pre-financing:

7.2.5.1. Option 1: The Host Nation (HN) pre-finances and executes the project. In this situation the HN takes on the responsibility and financial burden. The HN generates and staffs the PFS, executes the project, manages the project files, seeks NSIP approval, and obtains recoupment of HN funds. Since there is no financial risk, project execution, or recoupment responsibilities for the U.S., this is the preferred pre-financing option.

7.2.5.2. Option 2: The U.S. pre-finances the project and the HN executes the project. In this instance, the U.S. takes on the financial risk while the HN assumes project execution responsibilities. The advantage is the HN will be responsible for retaining and submitting project and financial documents required to recoup funds for the U.S. This is the typical option for pre-financed projects.

7.2.5.3. Option 3: The U.S. both pre-finances and executes the project. This option is used when the U.S. needs to execute work faster than a HN can. With this option, the U.S. takes on both financial and record-keeping risks and must retain all contract documents, payment vouchers, drawings, etc. for 5 to 10 years (and sometimes longer) after the project has been completed. Without proper records, the U.S. risks paying back funds to NATO for unsubstantiated expenditures. If this option is chosen, overstamp all records with "NATO Infrastructure Pre-financed" to help assure their retention beyond

the normal administrative period. Prepare a TCCE, preferably at the time of construction completion (when more paperwork is available and memories are fresh). If possible, make preparation of the TCCE part of the contract. Send the completed TCCE to HQ USAFE/A7PDN for action.

7.2.5.4. Turkey views pre-financed projects as NATO projects and insists on exercising Host national responsibilities for these projects.

7.2.6. Track a pre-financed project in ACES-PM. When Option 1 in Paragraph 7.2.5. is used, the FUNDS_SOURCE is identified as Host Nation and the FUNDING_SUBSOURCE is NATO. Projects using Options 2 or 3 in Paragraph 7.2.5 will follow U.S. programming rules.

7.2.7. For the U.S., recoupment funds go to the USMN and are used to fulfill the annual U.S. financial obligation to NATO. Recoupment funds can be returned to a service department or base only when NSIP funds are exchanged with U.S. funds within the same FY the project is awarded.

7.3. Track infrastructure that has been pre-financed as in the same manner as direct and indirect U.S. dollar funded facilities in ACES-RP. When the IC approves the JFAI report, change the record to reflect that NATO funded the construction. The NATO documents will become permanent supporting documentation to the changed real property accountable records. Change the real property records overstamp from "NATO INFRASTRUCTURE - PRE-FINANCED" to "NATO INFRASTRUCTURE".

7.3.1. Retain original cost data in the remarks section of the cited forms for background information.

7.3.2. Prefix the facility number with an "N" as outlined in Paragraph 6.6

Chapter 8

RELEASE FROM THE NATO INVENTORY

8.1. Periodically , NATO-funded facilities or equipment cease to be needed for a specified NATO mission. The user nation is responsible for initiating requests to delete facilities or equipment from the NATO inventory. The Host Nation (HN) cannot request deletion from the NATO inventory without consent of the user nation.

8.1.1. Bases shall continuously assess the future uses of their facilities. NATO reserves the first right to continue use of infrastructure for NATO purposes. If released facilities can be used to satisfy the requirements of another U.S. NATO eligible project, NATO will direct that use.

8.1.2. Before deciding to release the facility from the NATO Inventory consider if a current or future U.S. national military use may exist for the facility. If the U.S. intends to use the NATO facility for national military use, it should be stated in the request for deletion from the NATO inventory.

8.1.3. Review EUCOM Command Instruction ECI 4701.01, Enclosure G for additional procedures when this action affects an entire installation or site.

8.1.4. The Host Nation officially informs the JFC, Strategic Command, and NIS of the U.S. request to release facilities from the NATO inventory. Should the Host Nation non-concur; the Host Nation would forward its own future use request to NATO. All actions on the release of facilities from the NATO inventory require NATO IC approval.

8.2. Procedures.

8.2.1. The BCE submits a request to delete NATO facilities and/or equipment to HQ USAFE/A7PDN.

8.2.1.1. Include the facility number, facility description, FA document number and a listing of the equipment (installed/mobile), with associated document numbers as applicable. Requests must also include the number of NATO manpower positions (associated documents/positions numbers) affected by the deletion/change of use. Additionally, include information on expected future U.S. national military use.

8.2.1.2. In cases involving U.S. investments in NATO facilities beyond routine maintenance and repair, the BCE should forward documents (invoices, scope of work) to support possible future claims for residual value for facilities being released from the U.S. control.

8.2.2. HQ USAFE/A7PDN processes and submits the deletion request to Headquarters European Command, Logistics and Security Assistance Directorate, Engineering Division (EUCOM/ECJ4-EN) for action. EUCOM/ECJ4-EN notifies the Host Nation and appropriate NATO organizations. The date of this notification starts the one year clock for facility maintenance. See Bi-SC 85-1(Interim) for information on the maintenance requirement.

8.2.3. HQ USAFE/A7PDN will coordinate a facility condition inspection, if required, with the user, BCE, Host Nation, JFC, and NIS.

8.2.4. The BCE will continue facility maintenance for up to one year after notification is given to the JFC/Strategic Command. Maintenance must continue until a "FA" document is received noting the deletion from the NATO inventory or the one year period expires.

ROBERT E. MORIARTY, Colonel, USAF
The USAFE Civil Engineer

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

DoDD 2010.5, *The North Atlantic Treaty Organization Security Investment Program*, 13 December 2004

DoDI 4165.14, *Real Property Inventory and Forecasting*, 31 March 2006

AFPD32-10, *Installations and Facilities*, 4 March 2010

AFI 32-9005, *Real Property Accountability and Reporting*, 14 August 2008

AFH 32-1084, *Facility Requirements*, 1 September 1996

AFMAN 37-123, *Management of Records*, 31 August 1994

ECI 4701.01, *NATO Security Investment Program (NSIP) Management*, 15 January 2008

Bi-SC Directive 85-1, *Capability Package Directive (Interim)*, 8 April 2007

Bi-MNCD Directive 85-5, *Criteria and Standards for Airfields*, 6 September 1999

NATO Document AC/4-D(94) 004 Final, *NATO Minor Works Procedures*

Prescribed Forms

No Forms Prescribed by this Instruction

Adopted Forms

DD Form 1354, *Transfer and Acceptance of Military Real Property*, September 2009, PD: DoDI 4165.14

AF Form 847, *Recommendation for Change of Publication*, 22 September 2009; PD: AFI 11-215

Auftragsbauten Grundsätze (ABG) Form 3, *Intergovernmental Construction Order*, April 2010
(Refer to the listed prescribing directive (PD) for guidance on the completion of the form.)

Abbreviations and Acronyms

ACE—Allied Command Europe

ACES-PM—Automated Civil Engineer System - Project Management

ACES-RP—Automated Civil Engineer System - Real Property

BCE—Base Civil Engineer

COFFA—Certificate of Final Financial Acceptance

DCM—Design and Construction Manager

DI—Design Instructions

DoD—Department of Defense

EUCOM—European Command

FA—Final Acceptance

FY—Fiscal Year

JC—Joint Command

MILCON—Military Construction

MOB—Main Operating Base

MUNSS—Munitions Support Squadron

MWCE—Minor Works Cost Estimate

O&M—Operations and Maintenance

UK—United Kingdom

U.S.—United States

USAF—United States Air Force

USAFE—United States Air Forces in Europe

USEUCOM—United States European Command

Terms

A Posteriori—This describes a situation when a project, suitable for NATO infrastructure funding, has been contracted for or constructed using national funds without national pre-financing being properly noted by the IC. As a result, the project is usually considered ineligible for NATO recoupment funding even though this would not have been the case had the project been submitted in the prescribed manner prior to contract award. A waiver to "a posteriori" request must be submitted to the USMN to gain any recoupment. This waiver is rarely accepted by NATO. See pre-financing statement.

Architect/Engineer (A/E) Fees—In accepting the construction task, the Host Nation is, entitled to claim infrastructure of 5% of the cost of the project to cover its national administrative expenses (NAE), or claim A/E fees at actual cost, plus NAE fees of 3%.

Allied Command Operations (ACO)—The NATO command at the first tier or strategic level, at Supreme Headquarters Allied Powers Europe (SHAPE), near Mons/Belgium commanded by Supreme Allied Commander Europe (SACEUR). It performs operational duties.

Allied Command Transformation (ACT)—The NATO command at the first tier or strategic level headquartered in Norfolk, Virginia. It performs duties focused on transformation of NATO's military capabilities to meet changing requirements.

Authorized Project—An approved CP project which has been submitted to the IC in the NATO TBCE format, and for which the IC has authorized the Host Nation to disburse NATO funds.

Capability Package (CP)—A combination of Host Nation, user nation, and NATO funded infrastructure, and associated operations and maintenance costs which, together with assigned military forces and other essential requirements, enable a NATO commander to achieve a specific NATO Military Required Capability. See Bi-SC 85-1.

Confirmation—This term is used to describe the hold action placed on the authorization of an infrastructure project by a member of the Infrastructure Committee. For one of a variety of reasons, the member nation placing the confirmation needs to research some aspect of the project before giving their positive vote. The lifting of the confirmation or voting negatively for the project can be given at subsequent IC meetings.

Conjunctive Funding—The use of U.S. funds to pay for non-NATO eligible work that is part of an overall NATO funded project. The use of conjunctive funds is strictly controlled and normally limited to those applications which bring a NATO facility into compliance with U.S. health, safety, security, or fire laws. Exceptions are granted on a case-by-case basis. Conjunctive funds for major works projects are programmed for by Installations and Mission Support Directorate (HQ USAFE/A7). Conjunctive funds for MW projects are programmed for by the BCE.

Criteria—Type, scope, and construction standards for facilities supported by SHAPE as the MMR and approved for NATO common financing. See Minimum Military Requirement.

Defense Planning Committee (DPC)—A NATO committee composed of representatives of the member nations participating in NATO's integrated defense structure. Deals with matters specifically related to NATO defense. The DPC is one of the two approval bodies for CPs.

Defense Planning Questionnaire (DPQ)—A NATO publication which identifies national commitments to NATO by weapons system type, category, and deployment location. The U.S. input to the DPQ is classified U.S. SECRET and is released to NATO by the JCS as NATO SECRET.

Deficiency—A shortcoming or defect in the operational or technical aspect of a project detected during the course of a JFAI. Any deficiencies are listed in the JFAI document. If NATO funding is still actively controlled by the HN for the project, the deficiency can be corrected with these funds. If the project is financially closed out or if insufficient funding exists, the HN is advised to approach NATO with a MW project to correct the deficiency.

Deleted Project—This is a project or portion of a project which has not started construction, but which appears in an approved CP, and must be deleted because mission or other changes have eliminated the need for the project.

Documents—The NATO documents most likely to be encountered at base and command level are listed below. These documents relate to the proceedings of the Infrastructure Committee:

- a. "A" Document. Details the Agenda (A) of the committee meetings.
- b. "D" Document. Contains NATO International Staff comments or recommendations to the committees on the procedures and details of the management of NATO Infrastructure.
- c. "DS" Document. Records committee formal statements and decisions. Also referred to as a Decision Sheet.
- d. "M" Document. Refers to a Memorandum issued by the International Staff to a committee in response to that committee's request for information.
- e. **"N" Document. A Note circulated by the Committee Secretary usually indicating formal cognizance by the Committee of national intentions such as pre—financing.**
- f. "WP" Document. Signifies that the document is a Working Paper.

g. “FA” Document. Contains Final Acceptance or Deletion from NATO inventory decisions/statements. These documents contain the results of JFAIs. The documents contain a listing of the as-built inventory, the deficiencies or variations from criteria, and any work in excess of the funds authorization that may be recommended for NATO funding.

Eligibility—A project is considered eligible for NATO common infrastructure funding when it falls within a category already agreed to by the NATO nations for implementation with infrastructure funds. Once this consideration has been satisfied, the following restrictive criteria are applied:

- a. The project must result from a NATO military requirement.
- b. The project must support forces earmarked or assigned to NATO.
- c. The project must support an approved NATO mission outlined in a CP.
- d. The project must be of the most austere standard conforming to NATO criteria. NATO will not pay for requirements exceeding MMR, however, they may be included if U.S. national financing is available to pay for them.

Estimated Date of Authorization Request (EDAR)—The estimated date the Host Nation intends to submit the TBCE or TCCE to the IC requesting authorization of NATO funds for the project. See Funds Request, NATO type "B" cost estimate, NATO type "C" cost estimate, and Infrastructure Committee.

Estimate Date of Completion (EDC)—The estimated construction completion date of the project.

Estimate Date of Start (EDS)—The estimated construction start date of the project.

Excess Works—These are completed works which have been noted by the JFAI team as being in excess of the authorized scope or quality of the programmed infrastructure project. Based upon recommendations of the JFAI team, the IC will either authorize the excess works for payment by NATO, or refer items they cannot agree to authorize to the NATO Board of Auditors. The Board of Auditors will then request repayment from the host or user nation, as applicable, when the project is audited for those items not authorized by the IC as excess works. See Joint Formal Acceptance Inspection.

Funds Request—This term is applied to the submittal by the Host Nation of a TBCE or TCCE to the IC requesting authorization of NATO funds for the project.

Host Nation (HN)—Normally the nation having infrastructure projects located on its territory. However, certain NATO agencies/commands and the strategic commands can be designated by the IC as a "pseudo" Host Nation for specific projects (normally those spanning national boundaries).

Infrastructure—As used within NATO, infrastructure is generally applicable to all fixed and permanent installations, fabrications, or facilities for the support and control of military forces. Infrastructure includes all requirements within recognized criteria for the categories covered by eligibility. The terms “NATO common infrastructure” or “national infrastructure” indicate funding responsibility.

Investment Committee (IC)—The main body within NATO responsible for infrastructure matters. Conducts final screening of annual programs submitted by member nations prior to

formal approval by the NAC or Defense Planning Committee (DPC), and grants authorization to the host country to commit funds and execute an approved project. The IC is authorized to make any decision necessary for program implementation. As such, this committee is the key decision-making body for authorization and execution of infrastructure programs.

International Board Of Auditors for NATO (IBAN)—After construction is complete, accounts relating to commonly financed NATO infrastructure works are audited by the International Board of Auditors for NATO. If expenditure by the user nation cannot be substantiated with documentation, an audit may result in the requirement for the nation to return funds to NATO. The end product of a NATO audit is the Certificate of Final Financial Acceptance (COFFA).

International Competitive Bidding (ICB)—A mandatory procedure, unless specifically waived by NATO, which requires the Host Nation to open bidding for procurement and contracting of NATO projects to all NATO member nations. ICB can take up to 6 months to accomplish. The alternative is national competitive bidding (NCB) which requires a waiver to ICB. NCB limits the bidding process to Host Nation contractors.

Joint Force Command (JFC)—The second tier or operational level of command consisting of standing joint force commands (JFC) in Brunssum, the Netherlands, and in Naples, Italy, both of which can conduct operations from their static locations or provide a land-based Combined Joint Task Force (CJTF) headquarters, and a robust but more limited standing joint headquarters (JHQ), in Lisbon, Portugal, from which a deployable sea-based CJTF headquarters capability can be drawn. These organizations provide support to Allied Command Operations (ACO) in the development of CP's, maintenance of NATO inventory, and validation of project requirements.

Joint Formal Acceptance Inspection (JFAI)—Following completion of a NATO project, a team consisting of representatives of the NIS, NATO military authorities, and representatives of host and user nations visit the installation and inspect the project. The team records deficiencies and either recommends facility acceptance to the IC or requests changes to the project before final acceptance is recommended.

Maintenance—Recurring scheduled and un-scheduled work required to ensure continuous and effective use of NATO facilities and their designed capability, and to prevent excessive wear. Maintenance is a user nation funding responsibility and does not include additions to, alternations of, or restoration of a facility.

Maintenance Inspection—Major Subordinate Command (MSC) inspections conducted on a periodic basis for the purpose of determining the adequacy of user nation maintenance of NATO facilities and systems; to recommend remedial actions to user nations for the correction of existing deficiencies; and to review user proposed NATO projects.

Major Works—A project which is either too complex to fit the description of a MW project, or for which the programmed amount exceeds the MW financial limitation or "ceiling." See minor works.

Military Committee (MC)—The highest military authority in NATO. Composed of the chiefs-of-staff of all member nations except France and Iceland. France is represented by the Chief of the French Military Mission to the MC. Iceland has no military forces and is usually represented by the U.S. The MC makes recommendations to the North Atlantic Council (NAC) and the DPC

on measures considered necessary for the common defense of the NATO area, and supplies guidance on military matters to the MNCs.

Minimum Essential Facilities (MEF)—Facilities essential to airfield operations consisting of fuel and ammunition storage for 7 days and dispersed aircraft parking for assigned aircraft. Considered the absolute minimum facility requirements over and above bare-base (runway and source of water) requirements necessary to permit aircraft operations from a NATO airfield.

Minimum Military Requirements (MMR)—The most austere facility or item of equipment needed to meet a NATO military need. The basic needs are agreed to by the member nations.

Minor Works (MW)—A discrete project, self-standing and completely usable, not part of a currently proposed project, not generating any NATO O&M costs, and not planning or consulting services associated with a larger project. The project must be straight-forward and non-controversial. Further, the total programmed amount, including National Administrative Expenses (NAE) and 10% contingency fees, should be equal to or less than the MW ceiling.

Minor Works Cost Estimate (MWCE)—A NATO prescribed format for the submission of a MW project. Part I of the MWCE is initiated by the user nation and submitted to the HN. The HN completes Part II of the MWCE and submits the combined document to the JFC

National Administrative Expenses (NAE)—NAEs are expenses incurred by Host Nations while executing functions required to implement a NATO infrastructure project. Typical functions include determining requirements; establishing standards, conducting site surveys, preparing initial plans required to determine the general magnitude of a project; preparing detailed engineering drawings; preparing detailed cost estimates; preparing and placing a project under contract; processing of payments; supervision and inspection of construction; factory inspection of equipment; provision of supporting services such as financing, accounting, auditing, translating, and communications; and visits and discussion of infrastructure problems with NATO military commands and other NATO bodies.

National Competitive Bidding (NCB)—See international competitive bidding.

NATO Accounting Unit (NAU)—A notional currency used by NATO to establish a single basis for all financial dealings used prior to the implementation of the Euro.

NATO International Staff (NIS)—A group of technical experts employed by NATO to advise NATO committees on technical and financial matters.

NATO Security Investment Program (NSIP)—A military facilities program financed by NATO member nations in support of NATO military forces. Limited by criteria to projects for joint use or clearly accepted as being in the common interest.

North Atlantic Council (NAC)—The highest decision-making authority in NATO composed of representatives of the member nations. The U.S. Ambassador to NATO meets weekly with the NAC as the permanent U.S. representative (in place of the U.S. Secretary of State). Twice a year the U.S. Secretary of State assumes his/her chair on the NAC along with the Secretaries of other member nations. The NAC is one of the two approval bodies for CPs.

North Atlantic Treaty Organization (NATO)—The North Atlantic Treaty, signed in Washington DC on 4 April 1949, created an alliance for collective defense as defined in Article 51 of the United Nations Charter.

Precautionary Pre-Financing Statement—A formal Host Nation statement submitted to the IC providing notification that a user nation intends to proceed with construction of an item which is not currently eligible for NATO common funding, but which may become eligible at a later date. A precautionary pre-financing statement must meet the same IC notification deadlines as the pre-financing statement and may require ICB.

Pre-Financing Statement (PFS)—A formal Host Nation statement submitted to the IC providing notification of user nation intent to proceed with construction of an item which is fully or partially eligible for NATO funding. The pre-financing statement must be noted by the IC prior to contract award in order to preserve future recoupment rights. Failure to meet this deadline, will place the project in an "a posteriori" status and most likely result in total loss of recoupment moneys.

Pre-Financing—The use of national funds to pay for NATO eligible work prior to NATO authorization to use NATO funding. Pre-financing is accomplished with user nation funds because NATO funds are either not yet available, or will not be available soon enough to satisfy project requirements. This action is taken with the expectation that recoupment will be sought from NATO at some later date using normal NATO programming procedures.

Project Data Sheet (PDS)—This is the NATO programming document. The Project Data Sheet is an abbreviated programming justification document that contains the following information: Date; CP Number; Serial Number; Project Title; NCP Title; Location, Implementation Plan; Item Description and Cost; Capital Cost Profile; Description of Work; Statement of Justification; and Eligibility Criteria References. The PDS was formerly known as a Type 'A' Cost Estimate.

Recoupment—The process of regaining pre-financed funds from NATO.

Removal from NATO Inventory—This process covers completed infrastructure projects for which there is no longer a current or expected future NATO military use. The situation usually arises through a change of plans, or the phasing out of earlier weapons systems. If there is clearly no present or future NATO military use for the facility, the Host Nation may request the IC to remove the facility from the NATO inventory and return it to the Host Nation for disposal.

Restoration—Work or equipment required which is beyond normal maintenance, to bring NATO facilities up to the criteria in force at the time of the original construction or procurement of the facility.

Silence Procedure—During periods when the IC is not in session, a Host Nation requiring an authorization for an urgent project may submit a funds request to the NIS, who will screen it and issue a "working paper." The NIS circulates the working paper with a cover letter informing all national delegations and commands of the request for authorization. The project is considered authorized unless a national delegation or the NMC concerned voices objections to the project within 2 weeks of the publication of the working paper.

Standardization Agreement (STANAG)—Agreements developed when NATO nations feel a need to standardize a system or facility, such as airfield lighting. These standards are to be followed each time such a facility is programmed to support NATO forces, whether the work is to be funded by NATO or nationally. The development of a STANAG does not constitute NATO eligibility. It is an agreement to standardize, not to fund.

Stand Alone Project—A project that is not tied to a CP but is beyond the scope of the MW program. The IC can authorized stand alone projects to meet infrastructure needs.

Type “B” Cost Estimate (TBCE)—Also referred to as the NATO Type "B" Submittal. This document identifies the project by location and NATO project number. It consists of preliminary engineering drawings based on the pre-final design, and a line item breakout with cost estimates, including costs of design, supervision, overhead, and contingencies. The TBCE is approximately equal to a U.S. 35% design.

Type “C” Cost Estimate (TCCE)—Also referred to as the NATO Type "C" Submittal. This document contains a detailed cost estimate based on actual contract award costs broken down into the various areas of the project (keyed to drawings) and including costs of design, supervision, and overhead. This estimate is the primary basis for the request for recoupment.

U.S. Mission to NATO (USMN)—The U.S. representation to NATO and headed by an ambassador who functions as the permanent U.S. representative to the NAC. The USMN is located in NATO compound in Brussels, Belgium.

Urgent Requirement—Urgent requirements are military requirements, in line with the guidelines for common funding, that for operational, safety, environmental, or economic reasons need to be implemented in such as timely manner that they cannot await approval and authorization as part of planned CPs.

User Nation—The nation whose military force occupies and operates a NATO infrastructure facility. The U.S. is always a user nation anywhere in Europe (except when acting as the custodial nation). As a result, the U.S. starts the programming process by planning, justifying, and submitting projects in support of their NATO assigned forces, oversees project implementation and, after accepting a completed facility, is responsible for its operation and maintenance.

USEUCOM—United States European Command. The Name of the U.S. Headquarters of USCINCEUR. USEUCOM is located in Patch Barracks, Vaihingen (near Stuttgart), Germany.

Attachment 2

SAMPLE PRE-FINANCING STATEMENT

(Date)

MEMORANDUM FOR HQ EUCOM/ECJ4-EN

FROM: HQ USAFE/A7P
Unit 3050 Box 10
APO AE 09094-5010

SUBJECT: Pre-financing Statement for *Project Title, Project Location*

1. The following information is provided to you for coordination and transmission to USMN for their notification to the IC of our intent to pre-finance the following works:

a. General Description and Urgency. *BCE provides a description of work and state why the project cannot wait for the NATO project process. Be specific in explaining why waiting will harm the mission. Examples can be for military security, possible shutdown by local environmental authorities, imminent mission failure, etc.*

b. Scope of work and cost estimate. *BCE states the scope of work and estimated cost for the project.*

c. Status of project. *BCE states the status of the project, i.e. designed, ready to advertise, etc.*

d. Status of Strategic and Regional Command support. *HQ USAFE/A7PDN states if either the regional or strategic command has provided any support for the project during visits to the installation or by other means. Also note what CP the work supports.*

e. Time factors: *BCE states the schedule of the project including when the project will be awarded, start and finish construction.*

f. International (or National) Competitive Bidding (I (N)CB). *ICB will be used for this project. (or Due to the urgency of this project as explained in Para 1.a., we request an exemption from ICB. We plan to follow national competitive bidding procedures.) If the project is MW, NCB would be the normal course. See Bi-SC 85-1, Para 5.7.2.y.*

g. Host Nation approval: *We have coordinated this statement with the Host Nation and expect their support at the IC. (Modify the statement if necessary. It is unwise to submit a project that doesn't have HN support.)*

2. Request this pre-financing statement be noted at an Infrastructure Committee meeting no later than (date). *Establish the date based on your bid schedule. EUCOM requests 60 days minimum for timely notification. Do not award projects before the NATO Infrastructure Committee takes action on this document!*

3. If you have any questions, please contact my project manager, (NATO Project Manager). HQ USAFE/A7PDN, at DSN 480-6227.

(Signature of Division Chief)

cc:

BCE